

PROCEDURE SIMPLIFICATION PROGRAM FOR THE BUSINESS SECTOR

(TC-99-05-04-7)

EXECUTIVE SUMMARY

Executing agency:	Chamber of Commerce of Bogota
Coexecuting agencies:	Chambers of Commerce of Barranquilla, Bucaramanga, Cali, Cartagena, and Medellín
Beneficiaries:	Colombian business sector, particularly microenterprises and small and medium-sized businesses currently experiencing difficulties in the process of formalizing or starting up.
Objectives:	<p>The general objective of the project is to promote a more efficient and transparent relationship between enterprises, the government, and private entities that deliver services related to registration and formalization.</p> <p>The project seeks to achieve the following specific objectives: (i) to streamline legal requirements, steps, and formalities and reduce processing periods for entrepreneurs formalizing their productive activities; (ii) to set up business service centers [Centros de Atención Empresarial] (CAEs) in six Colombian cities (Bogota, Barranquilla, Bucaramanga, Cali, Cartagena, and Medellín); (iii) to expedite the process by which informal-sector enterprises are brought into the formal business sector; and (iv) to improve entrepreneurs' access to information on the procedures that need to be followed.</p>
Description:	To fulfill its proposed objectives, the program provides for the following two components, the activities of which are to be carried out sequentially: (1) design of the CAE, including legal and institutional mapping, proposal for streamlining procedures, validation of proposals, initial simplification activities through management agreements, and design of action plans for implementation; and (2) implementation of the CAEs. The first component is to be carried out simultaneously in the six cities, while the second will be implemented in accordance with the scheduling that the city halls and chambers of commerce establish for each city. A third component would involve project administration.

Amount and source of financing:	Modality:	Nonreimbursable
	MIF (Facility I):	US\$1,900,000 (61.3%)
	Local contribution:	US\$1,200,000 (38.7%)
	Total:	US\$3,100,000 (100%)
Environmental and social review:	This operation will not have significant environmental or social impacts and was approved by the Committee on Environment and Social Impact (CESI) at its 29 October 1999 meeting.	
Execution timetable:	The project will be executed over a period of up to 30 months and the funds will be disbursed over a period of up to 36 months.	
Special contractual clauses:	<p>In addition to the general contractual conditions applicable to this operation, the following special clauses shall be included:</p> <p>Conditions precedent to the first disbursement: Within three months of the signature of the agreement, the executing agency will present the following to the Bank: (i) evidence of interagency agreements between the city halls and the chambers of commerce included in the project, in which the responsibility of each entity is defined together with the commitment to participate jointly in the project's execution; (ii) evidence of interagency commitments between the Chamber of Commerce of Bogota and the chambers of commerce in the participating cities, setting out agreements for the transfer of MIF funds to each; and (iii) evidence that the director of the project's central executing unit has been selected and hired.</p>	
Exceptions to Bank policy:	None	